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SENATE

REPORT
No. 97-410

AUTHORIZATION OF APPROPRIATIONS TO THE U.S. INTERNATIONAL TRADE COMMISSION, THE U.S. CUSTOMS SERVICE, AND THE U.S. TRADE REPRESENTATIVE

MAY 20 (legislative day, MAY 11), 1982.—Ordered to be printed

Mr. DOLE, from the Committee on Finance, submitted the following

REPORT

TOGETHER WITH ADDITIONAL VIEWS

[To accompany S. 2555]

The Committee on Finance reports an original bill (S. 2555) to authorize appropriations for fiscal year 1983 to the U.S. International Trade Commission, the U.S. Customs Service, and to the U.S. Trade Representative, and for other purposes, and recommends that the bill do pass.

I. SUMMARY

The committee bill would authorize fiscal year 1983 appropriations of $19,737,000 to the U.S. International Trade Commission, $530,524,000 to the U.S. Customs Service, and $11,100,000 to the Office of the U.S. Trade Representative.

II. GENERAL EXPLANATION

In order to meet the requirements of section 402(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1352), the Committee on Finance reports an original bill to authorize fiscal year 1983 appropriations to the U.S. International Trade Commission (ITC), to the U.S. Customs Service, and to the Office of the U.S. Trade Representative (USTR).

AUTHORIZATION OF APPROPRIATIONS TO THE ITC (SECTION 101 OF THE BILL)

Present law.—Section 330(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(1)) requires annual enactment of an authorization of

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appropriations for the ITC. Section 175 of the Trade Act of 1974 (19 U.S.C. 2232) requires that ITC estimated expenditures and proposed appropriations be included in the President's budget without revision. The ITC appropriation for fiscal year 1982 was $17,803,000 (assuming enactment of the fiscal year 1982 pay increase supplemental appropriations).

Committee bill.—Section 1(a) of the committee bill would authorize appropriations of $19,737,000 for fiscal year 1983, the full amount requested by the ITC. This section also provides that no part of any sum that is appropriated under this authorization may be used by the ITC for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the ITC for the costs thereof. In addition, section 1(b) of the committee bill provides that the Chairman of the Commission may accept gifts, both real and personal, for the purpose of aiding or facilitating the work of the Commission.

Reasons for committee bill.—The committee supports the ITC's budget request of $19,737,000, which is $1,934,000 more than the total appropriation for fiscal year 1982 (assuming enactment of the supplemental appropriation). All of the increase is attributable to built-in costs increases and inflation. The budget request will support a staff of 438, the same personnel level as authorized by the committee in fiscal years 1981 and 1982.

The International Trade Commission is an independent agency and performs a unique role. The independence of the ITC is ensured by a number of provisions, not the least of which is the formation and expenditure of its budget independently of the President's review or control. It was established by the Congress in 1916 in furtherance of the congressional authority to regulate foreign commerce under article I, section 8 of the Constitution. One of the Commission's major responsibilities is to provide the Congress with independent expert advice to assist in carrying out its Constitutional authority to regulate international trade. The Commission, in addition to its duties to respond to requests from the Congress and the President on matters affecting international trade, has a number of other specific statutory duties and responsibilities, ranging from research and analysis to quasi-judicial functions on trade related matters.

That part of the first section of the committee bill which provides that no part of any sum that is appropriated under the authorization may be used by the ITC for making studies, investigations, or reports requested by any agency of the executive branch unless that agency reimburses the ITC for the costs thereof parallels language which was included in the fiscal year 1982 authorization bill. The committee is concerned that without such language, discipline over the ITC budget will be loosened, as other agencies will view the ITC as a "free" consultant and it will be forced to request larger budgets to cover the costs of providing such studies, investigations, or reports. The committee has no objections to the ITC undertaking such activities for other agencies, and believes the ITC should always seek to increase its capability to analyze international trade matters; but the committee believes that the ITC should be reimbursed out of the funds appropriated to the

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requesting agency. This language included in the first section of the bill does not affect requests for studies properly made under section 332 of the Tariff Act of 1930 (19 U.S.C. 1332) or other similar provisions of law.

Section 1(b) of the committee bill would authorize the ITC Chairman to accept gifts, including reimbursement for travel for the purpose of aiding or facilitating the work of the agency. While this provision would authorize the ITC to accept reimbursement for expenses for, among other things, speaking engagements before private groups, the committee notes that the exercise of this authority should be carefully controlled and in strict compliance with applicable ethics and conflict-of-interest laws and regulations.

Authorization of Appropriations to the U.S. Customs Service

Present law.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) requires annual enactment of an authorization of appropriations to the U.S. Customs Service. The Customs Service's appropriation for fiscal year 1982 is $493,743,000, excluding enactment of a supplemental appropriation of $18 million which will be requested for pay increases for fiscal year 1982. In addition, approximately $15.2 million may be requested for fiscal year 1982 to fund alcohol and tobacco functions transferred from the Bureau of Alcohol, Tobacco and Firearms (BATF).

Committee bill.—The committee bill would authorize appropriation of the amount requested by the administration, $530,524,000 to the Customs Service for fiscal year 1983 of which not to exceed $31,464,000, is for salary and expenses for the enforcement of the alcohol and tobacco revenue laws. The committee bill also provides permanent authorization for such sums for salaries in addition to annual authorizations as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970. Finally, the committee bill provides that no part of any sum that is appropriated may be used to implement any procedure relating to shortening the period for the collection on estimated duties from the 10-day deferment procedure in effect on January 1, 1981.

Reasons for committee bill.—The $530,524,000 authorized by the committee bill for fiscal year 1983 is an increase of approximately $37 million over the $493,743,000 authorized for fiscal year 1982. Approximately $31.5 million of the increase is attributable to the proposed transfer of alcohol and tobacco functions from BATF. It is the understanding of the committee that if the alcohol and tobacco functions are not transferred to the Customs Service, none of the additional funds appropriated for those functions will be used to perform other Customs Service activities. While the committee recognizes that the amount requested by the administration which it has approved may require some decreases in particular services, it has taken into account testimony from Customs Service officials that the Service can accomplish its priority missions through better management and increased efficiencies. (See letter below.)

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THE COMMISSIONER OF CUSTOMS,
Washington, D.C., May 13, 1982.

Hon. ROBERT DOLE,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: During the mark-up of the proposed FY 1983 Authorization for the U.S. Customs Service, an amendment was offered to increase the amount by $38.3 million. Mr. Claud Gingrich of your staff requested a statement of the impact of this amendment on revenue collections in order for the members to consider the impact of the proposal.

In FY 1981, the Customs Service collected $9.2 billion in duties and excise taxes. The President's budget for FY 1983, which was submitted to the Congress on February 8, 1982, anticipated revenue collection for the Customs Service of $9.8 billion for FY 1982 and $11 billion for FY 1983, is based on economic trends, world trade patterns and other factors. By implementing new work methodologies and maximizing our automation capabilities, we anticipate no diminution in revenue collections due to the reduction of resources in FY 1983. We believe that we can support the President's program for reducing the size of the Government and the burden on U.S. taxpayers by attempting to absorb these reductions in administrative areas with no direct operational mission and by consolidating operational functions to achieve greater specialization and increased productivity.

In response to the Committee's specific question, however, in light of the management improvements enumerated above, it is difficult to predict what additional revenues, if any, could be collected if additional resources are allocated to the categories of import specialists, auditors, special agents, and inspectors. Traditionally, an increase in the number of import specialists has resulted in increased revenue collections. We are confident, however, that such increases would be marginal and cannot be justified in this time of fiscal constraint.

Yours faithfully,

———— ————.

Under the Customs Procedural Reform and Simplification Act of 1978, new procedures were authorized which permit the deferment of the deposit of estimated duties up to 30 days after release of merchandise from Customs' custody under special permit prior to completion of the formal entry process. The time period now permitted for deferral under customs procedures is up to 10 days. The Office of Management and Budget in the past has proposed to require deposit of estimated duties within a maximum 3 days after the release of merchandise, the 3-day period to be phased in over a number of years. This proposal was objected to by the committee in its report on the authorization of appropriations for the Customs Service for fiscal year 1982 (S. Rept. No. 97–104, p. 2). Since it is uncertain whether consideration is presently being given to similar proposals, the committee included a provision in the bill to prevent the shortening of the collection period.

In the past, certain Customs inspectors earned as much as $40,000 in overtime pay. Although much of this overtime pay is reimbursed

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by users, it has created problems within the Customs Service. As a result, the committee in previous years placed a "cap" on this overtime. According to the administration, the present cap has caused serious management problems and administrative costs necessitated by the forced shifting of Customs personnel about to exceed the cap. The committee has determined therefore to remove the cap, but will continue to monitor the overtime pay situation closely. The committee understands there will be an informal cap enforced by the commissioner but that the informal cap will be flexible in unusual situations as determined by the Commissioner.

AUTHORIZATION OF APPROPRIATIONS TO THE OFFICE OF THE U.S. TRADE REPRESENTATIVE (SECTION 102 OF THE BILL)

Present law.—Section 141(f) of the Trade Act of 1974 provides that the Office of the Special Representative for Trade Negotiations (renamed Office of the U.S. Trade Representative by Reorganization Plan No. 3 of 1979) is authorized appropriations of such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 through fiscal year 1980. Last year the Senate passed an authorization bill providing for a 3-year authorization and containing certain housekeeping provisions. Since the Senate did not act on an authorization for USTR, the agency is now without authorization.

Committee bill.—Section 3 of the committee bill authorizes appropriations to the Office of the U.S. Trade Representative of $11,100,000 for fiscal year 1983. Of such sums, an amount not to exceed $65,000 may be used for entertainment and representation expenses. Additionally, the committee bill authorizes the U.S. Trade Representative to expend funds for travel expenses approved by him without regard to standardized Government travel regulations and to per diem allowances; to delegate his functions, powers, and duties to such officers and employees as he may designate, and to authorize redelegation; to accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the USTR; to acquire by purchase or exchange not more than two automobiles for use by the USTR delegation in Geneva and elsewhere, as required, at a cost of not more than $9,500 for each car; and to issue rules and regulations as may be necessary to carry out the functions, powers, and duties vested in him. The bill also provides for the inclusion of a provision which would authorize for fiscal year 1983 and thereafter such additional sums for changes made in accordance with the Pay Comparability Act of 1970 and makes technical corrections to a number of provisions reflecting the renaming of the Office pursuant to Reorganization Plan No. 3. Finally, the bill provides for an additional Deputy United States Trade Representative.

Reasons for committee bill.—The committee bill authorizes appropriations to the USTR of $11,100,000 (of which not to exceed $65,000 is for entertainment and representation expenses) for the purpose of carrying out its functions in fiscal year 1983. This amount represents an increase of $1.1 million over the amount authorized by the committee for fiscal year 1982 and represents an increase of $1 million above the amount requested. The committee believes these additional funds are necessary if the USTR is to perform its expanded functions and the

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increased responsibilities, it will have in such areas as services, investment, and high technology. The committee has approved the addition of another Deputy USTR to provide necessary senior management and direction to assure the high level performance of its expanding workload.

The committee bill also adds provisions to existing authorities of the USTR under section 141 of the Trade Act. These authorities were requested by the USTR with the clearance of the OMB, and are needed to restore standard administrative authorities to the USTR. Most agencies have these standard administrative authorities, but the USTR lost them when its budgetary relationship with the Department of State changed as a consequence of Reorganization Plan No. 3 of 1979. Among these authorities, the authority to pay for expenses approved by the U.S. Trade Representative for official travel without regard to the Federal travel regulations or to the provisions relating to rates of per diem allowances in lieu of subsistence expenses is necessary to allow the Trade Representative or other officers in the USTR to obtain accommodations at rates in excess of the per diem allowances under unusual circumstances. These circumstances include the need to rent offices and suites necessary to conduct negotiations and other meetings when the quarters of the Representative or officers are not suitable. The authority of the USTR to accept, hold, administer, and utilize gifts, devises, and bequests, of real or personal property is intended to facilitate the work of the USTR. Gifts, devises, and bequests from foreign governments are excluded from this authority. This authority will enable the USTR to receive gifts such as libraries of books or papers on trade willed to it by former employees, which it presently lacks authority to accept. It will also enable the USTR to accept reimbursement for travel to speaking engagements before private groups. The committee is concerned that in certain situations accepting travel expenses from private groups may create an appearance of a conflict of interest. Although the USTR remains subject to applicable ethics and conflict of interest laws and regulations, the committee expects that this authority will be used only in carefully controlled circumstances. The authority to purchase or exchange not more than two passenger vehicles for use abroad at a maximum cost of $9,500 each is necessary to allow the agency to acquire automobiles for the official use of its staff located in the office in Geneva. Currently, the staff is borrowing automobiles from the U.S. Mission in Geneva, but this is not possible over an extended period, as the USTR delegation in Geneva is separate from the U.S. Mission in activities and location, as is intended by the Congress.

It is noted that the authority provided to the Trade Representative to issue rules and regulations as may be necessary to carry out the functions, powers, and duties vested in him is an amendment of section 141(d)(3) of the Trade Act of 1974. The purpose of this amendment is simply to clarify that this authority extends to the entire scope of the Representative's responsibilities, not merely to a more narrow range of functions; it in no way grants or implies any new or additional regulatory rulemaking power.

The conforming amendments made by section 3(d) of the bill reflect the change of the name of the office from the Office of the Special Representative for Trade Negotiations to the Office of the United States Trade Representative made by Reorganization Plan No. 3 of 1979.

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III. Vote of the Committee in Reporting the Bill

In compliance with section 133 of the Legislative Reorganization Act of 1946, the committee states that the bill was ordered reported with one objection.

IV. Budgetary Impact of the Bill

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, sections 308 and 403 of the Congressional Budget Act of 1974, and paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the following statement is made relative to the cost and budgetary impact of the bill. The bill would authorize the enactment of new budget authority for fiscal year 1983 for the U.S. International Trade Commission in the amount of $19,737,000, $530,524,000 for the U.S. Customs Service, and $11,100,000 for fiscal year 1983 for the Office of the U.S. Trade Representative. The committee accepts as its estimates the report of the Congressional Budget Office under section 403 of the Congressional Budget Act, as follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 13, 1982.

Hon. Robert Dole,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for a bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1983 and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

May 13, 1982.

1. Bill number: Not yet assigned.
2. Bill title: A bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1983 and for other purposes.
3. Bill status: As ordered by the Senate Committee on Finance, May 11, 1982.
4. Bill purpose: This bill authorizes for fiscal year 1983 the appropriation of $19.7 million for the necessary expenses of the International Trade Commission (ITC), $530.5 million for the salaries and expenses of the U.S. Customs Service, and $11.1 million for the Office of the United States Trade Representative (OUSTR). In addition, the bill authorizes for the Customs Service and OUSTR the additional sums necessary to reflect the pay rate change for fiscal year 1983.

The bill also amends the functions and powers of the OUSTR and grants the ITC Chairman certain powers with respect to the acceptance of gifts for facilitating the work of the Commission. In addition, of the amount authorized for the Customs Service, the bill includes $31.5 million for the enforcement of alcohol and tobacco revenue laws transferred from the Bureau of Alcohol, Tobacco, and Firearms.

Relative to the levels appropriated for fiscal year 1982, the authorization levels contained in the bill represent an 8.4 percent increase for the ITC, and 1.2 percent increase for the Customs Service (exclusive of the alcohol and tobacco revenue enforcement function transfer), and a 23.3 percent increase for the OUSTR.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level:					
ITC (Function 150)	19.7				
Customs Service (Function 750)	530.5				
OUSTR (Function 800)	11.1				
Pay Supplementals (Function 920)	26.7				
Total	588.0				
Estimated outlays:					
ITC (Function 150)	18.2	1.5			
Customs Service (Function 750)	480.6	49.6	0.3		
OUSTR (Function 800)	10.2	.9			
Pay Supplemental (Function 920)	25.3	1.4			
Total	534.3	53.4	.3		

6. Basis of estimate: CBO assumes that the bill will be enacted and the full amount authorized will be appropriated for fiscal year 1983. The estimate for pay comparability for the Customs Service and OUSTR is based on CBO's current policy projection of an average 6.7 percent increase for the applicable salaries assumed in the authorization level. The estimated level of outlays is based on historical spending patterns.

Section 1(b) permits the Chairman of the International Trade Commission to accept and use gifts and bequests for the purpose of aiding the work of the Commission. Should the Commission receive gifts and bequests, this language would provide permanent, indefinite authority to use those resources. The net budget impact over time should be insignificant.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Judy Walker.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

V. REGULATORY IMPACT OF THE BILL

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee states that the provisions of the

committee bill will not regulate any individuals or businesses, will not impact on the personal privacy of individuals, and will result in no additional paperwork. The bill authorizes continued funding of three Government agencies without substantively modifying the law governing their operations.

VI. Additional Views of Senators Matsunaga, Moynihan, Bentsen, Boren, Long, and Baucus

The Committee has favorably reported an authorization of $499 million for customs functions of the U.S. Customs Service for Fiscal Year (FY) 1983. This amount is $38.3 million less than the sum approved by the House Committee on Ways and Means. The additional amount is necessary to maintain current levels of service, and unless restored, it will mean a loss in revenues of $100 million or more annually, according to the Customs Service.

Furthermore, the lower authorization will require the Customs Service to eliminate 2,300 positions—800 through attrition and 1,500 through firing. This means a 15 percent cut in staffing.

While the Customs Service has not specified the job classifications that will be adversely affected, it is clear from its testimony that firing or attrition of import specialists, auditors, special investigators, and inspectors will constitute more than one-half the scheduled reduction in force. These workers enabled the Customs Service to collect $9.2 billion in duties and taxes in FY 1981.

The proposed cut in personnel would seriously impair the Customs Service's ability to collect revenues. The revenue picked up by an additional $38.3 million for staffing will more than cover the cost by a ratio of three to one. (See letter below.) The Committee's failure to adopt an amendment by a ten-to-ten tie vote to restore the minimal but significant cut is a classic case of being "penny wise and pound foolish."

The Administration has recommended increasing the Internal Revenue Service staff to raise tax receipts. For consistency in theory and practice, the proposed cut of 2,300 positions in the Customs Service should be disallowed.

Spark M. Matsunaga.
Daniel Patrick Moynihan.
Lloyd Bentsen.
David L. Boren.
Russell B. Long.
Max Baucus.

Department of the Treasury,
U.S. Customs Service,
Washington, March 5, 1982.

Hon. Fortney H. Stark,
House of Representatives,
Washington, D.C.

Dear Mr. Stark: In your letter dated February 15, 1982, you raised the question of how much additional revenue could be collected if Customs were authorized funds for an additional 1,000 personnel, to be allocated to the categories of import specialists, auditors, special investigators, and inspectors.

Approximately $100 million in additional revenues could be collected. This represents a marginal return of about 3:1. These additional resources would be allocated among various on-going programs that emphasize special enforcement processing of small numbers of cargo shipments and entries that have been selected out as high risk for violations, including potential revenue losses. These selectivity

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programs include laboratory analyses, selective audits of importers and commodities, fraud investigations and cargo inspections.

Although in FY 1981 Customs collected almost $18.50 per dollar expended from the total budget, the marginal returns from additional staffing will be much lower, because of the high level of compliance that already exists overall among U.S. importers and travelers.

Thank you for your interest in Customs.

Sincerely,

JACK T. LACEY,
Comptroller.

VII. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by the bill as reported are shown below (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

* * * * * * *

SEC. 330. ORGANIZATION OF THE COMMISSION

(a) MEMBERSHIP. * * *

* * * * * * *

(e)(1) AUTHORIZATION OF APPROPRIATIONS.—For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law.

[(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1979 an amount not to exceed $12,963,000.]

(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1983 not to exceed $19,737,000. No part of any sum that is appropriated under the authority of this paragraph may be used by the Commission for the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.

* * * * * * *

SEC. 331. GENERAL POWERS

Administration

[(a)(1) Except as provided in paragraph (2), the chairman of the Commission shall—

[(A) appoint and fix the compensation of such employees of the Commission as he deems necessary (other than the personal staff of each commissioner), including the secretary,

[(B) procure the services of experts and consultants in accordance with the provisions of section 3109 of Title 5, and

[(C) exercise and be responsible for all other administrative functions of the Commission.

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Any decision by the chairman under this paragraph shall be subject to disapproval by a majority vote of all the commissioners in office.]

(a)(1)(A) Except as provided in paragraph (2), the chairman of the Commission shall—

(i) appoint and fix the compensation of such employees of the Commission as he deems necessary (other than the personal staff of each commissioner), including the secretary,

(ii) procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, and

(iii) exercise and be responsible for all other administrative functions of the Commission.

(B) The chairman of the Commission may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Commission.

(C) Any decision by the chairman under subparagraph (A) or (B) shall be subject to disapproval by a majority vote of all the commissioners in office.

* * * * * * *

SECTION 301 OF THE CUSTOMS PROCEDURAL REFORM AND SIMPLIFICATION ACT OF 1978

TITLE III—CUSTOMS SERVICE APPROPRIATIONS AUTHORIZATION

SEC. 301. (a) For the fiscal year beginning October 1, 1979, and each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for the United States Customs Service only such sums as may hereafter be authorized by law.

(b) There are authorized to be appropriated to the Department of the Treasury not to exceed $530,524,000 for the salaries and expenses of the United States Customs Service for fiscal year 1983, of which not to exceed $31,464,000 is for salary and expenses for enforcement of the alcohol and tobacco revenue laws.

(c) No part of any sum that is appropriated under the authority of subsection (b) may be used to implement any procedure relating to the time of collection of estimated duties that shortens the maximum 10-day deferment procedure in effect on January 1, 1981.

(d) For the fiscal year beginning October 1, 1982, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury for salaries of the United States Customs Service such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.

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TRADE ACT OF 1974

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TABLE OF CONTENTS

TITLE I—NEGOTIATING AND OTHER AUTHORITY

CHAPTER 1—RATES OF DUTY AND OTHER TRADE BARRIERS

* * * * * * *

CHAPTER 4—OFFICE OF THE [SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS] *UNITED STATES TRADE REPRESENTATIVE*

Sec. 141. Office of the [Special Representative for the Trade Negotiations] *United States Trade Representative.*

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TITLE I—NEGOTIATING AND OTHER AUTHORITY

* * * * * * *

CHAPTER 4—OFFICE OF THE [SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS] *UNITED STATES TRADE REPRESENTATIVE*

SEC. 141. OFFICE OF THE [SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS] *UNITED STATES TRADE REPRESENTATIVE*

(a) There is established within the Executive Office of the President the Office of the [Special Representative for Trade Negotiations] *United States Trade Representative* (hereinafter in this section referred to as the "Office").

(b)(1) The Office shall be headed by the [Special Representative for Trade Negotiations] *United States Trade Representative* who shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of the [Special Representative for Trade Negotiations] *United States Trade Representative* submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Finance. The [Special Representative for Trade Negotiations] *United States Trade Representative* shall hold office at the pleasure of the President, shall be entitled to receive the same allowances as a chief of mission, and shall have the rank of Ambassador Extraordinary and Plenipotentiary.

(2) There shall be in the Office [two Deputy Special Representatives for Trade Negotiations] *three Deputy United States Trade Representatives* who shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of a [Deputy Special Representative] *Deputy United States Trade Representative* submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Finance. Each [Deputy Special Representative for Trade Negotiations] *Deputy United States Trade Representative* shall hold office at the pleasure of the President and shall have the rank of Ambassador.

[(3)(A) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

["(13) Special Representative for Trade Negotiations."

[(B) Section 5314 of such title is amended by adding at the end thereof the following new paragraph:

["(60) Deputy Special Representatives for Trade Negotiations (2)."]

(c)(1) The [Special Representative for Trade Negotiations] *United States Trade Representative* shall—

(A) be the chief representative of the United States for each trade negotiation under this title or section 301;

(B) report directly to the President and the Congress, and be responsible to the President and the Congress for the administration of trade agreements programs under this Act, the Trade Expansion Act of 1962, and section 350 of the Tariff Act of 1930;

(C) advise the President and Congress with respect to nontariff barriers to international trade, international commodity agreements, and other matters which are related to the trade agreements programs;

(D) be responsible for making reports to Congress with respect to the matter set forth in subparagraphs (A) and (B);

(E) be chairman of the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962; and

(F) be responsible for such other functions as the President may direct.

(2) The United States Trade Representative may—

(A) delegate any of his functions, powers, and duties to such officers and employees of the office as he may designate; and

(B) authorize such successive redelegations of such functions, powers, and duties to such officers and employees of the office as he may deem appropriate.

[(2)] *(3)* Each [Deputy Representative for Trade Negotiations] *Deputy United States Trade Representative* shall have as his principal function the conduct of trade negotiations under this Act and shall have such other functions as the [Special Representative for Trade Negotiations] *United States Trade Representative* may direct.

(d) The [Special Representative for Trade Negotiations] *United States Trade Representative* may, for the purpose of carrying out his functions, *powers and duties* under this section—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such offices and employees as are necessary and prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, to pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) promulgate such rules and regulations as may be necessary to carry out the functions, *powers and duties* vested in him;

(4) utilize, with their consent, the services, personnel, and facilities of other Federal agencies;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Office and on such terms as the [Special Representative for Trade Negotiations] *United States Trade*

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Representative may deem appropriate, with any agency or instrumentality of the United States, or with any public or private person, firm, association, corporation, or institution;

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); [and]

(7) adopt an official seal, which shall be judicially noticed[.];

(8) pay for expenses approved by him for official travel without regard to the Federal Travel Regulations or to the provisions of subchapter I of chapter 57 of title 5, United States Code (relating to rates of per diem allowances in lieu of subsistence expenses);

(9) accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Office; and

(10) acquire, by purchase or exchange, not more than two passenger motor vehicles for use abroad, except that no vehicle may be acquired at a cost exceeding $9,500.

(e) The [Special Representative for Trade Negotiations] *United States Trade Representative* shall, to the extent he deems it necessary for the proper administration and execution of the trade agreements programs of the United States, draw upon the resources of, and consult with, Federal agencies in connection with the performance of his functions.

[(f) There are authorized to be appropriated to the Office of Special Representative for Trade Negotiations such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 and each fiscal year thereafter any part of which is within the 5-year period beginning on the date of the enactment of this Act.]

(f)(1) There are authorized to be appropriated to the Office for the purpose of carrying out its functions $11,100,000 for fiscal year 1983: of which not to exceed $65,000 may be used for entertainment and representation expenses.

(2) For the fiscal year beginning October 1, 1982, and for each fiscal year thereafter, there are authorized to be appropriated to the Office for the salaries of its officers and employees such additional sums as may be provided by law to reflect pay rate changes made in accordance with the Federal Pay Comparability Act of 1970.

[(g)(1) The Office of Special Representative for Trade Negotiations established under Executive Order No. 11075 of January 15, 1963, as amended, is abolished.

[(2) The assets, liabilities, contracts, property, and records and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, or available to such Office are transferred to the Office of Special Representative for Trade Negotiations established under subsection (a) of this section.

[(h)(1) Any individual who holds the position of Special Representative for Trade Negotiations or a position as Deputy Special Representative for Trade Negotiations on the day before the date of enactment of this Act and who has been appointed by and with the advice and consent of the Senate may continue to hold such position without regard to the first sentence of paragraph (1) of subsection (b), or the first sentence of paragraph (2) of subsection (b), as the case may be.

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[(2) All personnel who on the day before the date of the enactment of this Act are employed by the Office of the Special Representative for Trade Negotiations established by Executive Order No. 11075 of January 15, 1963, as amended, are hereby transferred to the Office.]

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TITLE 5, UNITED STATES CODE

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CHAPTER 53—PAY RATES AND SYSTEMS

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SUBCHAPTER II—EXECUTIVE SCHEDULE PAY RATES

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§ 5312. Positions at level I

Level I of the Executive Schedule applies to the following positions for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted:

Secretary of State.
Secretary of the Treasury.
Secretary of Defense.
Attorney General.
Secretary of the Interior.
Secretary of Agriculture.
Secretary of Commerce.
Secretary of Labor.
Secretary of Health and Human Services.
Secretary of Housing and Urban Development.
Secretary of Transportation.
[Special Representative for Trade Negotiations.] *United States Trade Representative.*
Secretary of Energy.
Secretary of Education.

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§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

* * * * * * *

Chairman, Commodity Futures Trading Commission.
[Deputy Special Representatives for Trade Negotiations (2).] *Deputy United States Trade Representative (2).*
Chairman, United States International Trade Commission.

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